

1976

Baltimore: an office profile

Anonymous

James H. Karales

Follow this and additional works at: https://egrove.olemiss.edu/dl_hs



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

H&S Reports, Vol. 13, (1976 summer), p. 01-11

This Article is brought to you for free and open access by the Deloitte Collection at eGrove. It has been accepted for inclusion in Haskins and Sells Publications by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

Baltimore is a city of contradictions. Located south of the Mason-Dixon line, it lies in a state that never seceded from the Union. Essentially southern in temperament, pace and quality of life, it is one of the great industrial port cities of the nation. Despite a population of less than one million in Baltimore proper, it is served by three daily newspapers, the same number published in New York City. Like most metropolitan areas today, Baltimore is plagued by financial problems. Yet it ended fiscal 1975 with a surplus of \$52 million.

Perhaps most important, it is a city that has not lost its will to live, that has taken a hard look at its economic and social ills and is taking realistic steps to find remedies. It is a city where picturesque historic neighborhoods contrast with new construction—a Baltimore outer harbor bridge to be opened later this year that will improve the traffic flow on I-95, the major interstate highway running from Maine to Florida; an extensive redevelopment of the Inner Harbor area that will turn it into an attractive and versatile business, cultural and recreational center.

Baltimore is a city where the residents

voted approval of a \$10 million bond issue to finance a complete renovation of the historic, century-old City Hall, while in Annapolis the State General Assembly recently voted approval for a new underground rapid transit system and a convention center for Baltimore. It is a municipality that takes pride in being home to both the Peabody Institute, the oldest privately endowed music school in the country, and the ultramodern Maryland Science Center, built by the 179-year-old Maryland Academy of Sciences and opened just this June as part of the Inner Harbor Redevelopment Area.

Like the original colony of Maryland, established early in the seventeenth century, Baltimore was founded on the tobacco trade. Named after the English Barons Baltimore, the city was chartered as a "tobacco port" in 1729. It was not long before Baltimore's harbor facilities and strong merchant community transformed it into one of the busiest port cities in the New World. By the time of the American Revolution, Baltimore had established itself as a key center of shipping to northern Europe, the Mediterranean and the Caribbean. (It's a little-known fact that Congress held sessions

BALTIMORE

'...Just about everything one could want.'

An Office Profile

for two months in Baltimore during the Revolutionary War after having fled from Philadelphia in fear of the British.)

Spurred by the rapid growth of iron and copper industries, the city boomed after the Revolution, with the famed Baltimore clipper ships challenging England's dominance of the marine trade routes. And it was the failure of the English naval bombardment of Baltimore's Fort McHenry during the War of 1812 that inspired Francis Scott Key to write "The Star-Spangled Banner."

Following the War of 1812 the city grew and prospered. The first telegraph line in the United States was strung between Baltimore and Washington, while the opening of the Baltimore & Ohio Railroad established the city's position as a key center for shipping to and from the Midwest, which is still enjoyed today. Its reputation as a producer of heavy industrial goods, spurred by the First World War, grew even stronger during World War II, when Baltimore was an important source of aircraft, ships, steel and other war materiel.

The potential of Baltimore for a growing Firm was recognized early by Haskins & Sells. It was in 1910, only fifteen years

after the founding of the Firm, that the Baltimore office, our seventh, was opened for business. Bob Koeppel, a native New Yorker, has been partner in charge in Baltimore for the past twelve years and has grown attached to the city. "My wife and I intend to remain here when I retire next year," he said. "Our friends are here, we like the climate, and there is just about everything available in the way of cultural, social and recreational activities that one could want."

Bob began with the New York office of H&S in 1938 after graduating from Columbia University. His career was interrupted by a four-year stint with the army, where he rose to the rank of major as a finance officer during World War II. Rejoining the New York office after the war, Bob was admitted as a partner in 1953 and three years later opened the Firm's New Haven office, where he served as partner in charge until transferring to Baltimore in 1961.

Long active in professional societies, Bob is president of the Central Maryland Chapter of the Maryland Association of CPAs, and has served as a director of both the state association and the Baltimore Chapter of the National Associa-

Matters of finance and budget were of no concern to the children enjoying lunchtime recess at Ruxton Elementary School in suburban Towson, Maryland, one of the schools under the jurisdiction of the Baltimore County Board of Education. Framed by the children are (in background, l. to r.) B. Melvin Cole, associate superintendent, Division of Business and Finance, BCBE; Joseph F. Frey, internal auditor, BCBE; H&S staff accountant Bruce Myers; H&S partner John Kuhn; Joshua R. Wheeler, superintendent of the BCBE; and Dick Bradley, Ruxton School's principal.





tion of Accountants. He will soon begin his third term as a director and vice president and treasurer of Junior Achievement of Metropolitan Baltimore.

"Baltimore is an excellent training ground for the CPA," Bob maintains. "The broad variety of clients we serve, including clients with sizable domestic as well as foreign operations, gives every staff man or woman who joins us the opportunity for exposure to an extremely wide range of professional experience."

A roster of only some of the Baltimore office's clients confirms Bob's observation:

➤ McCormick & Company, Inc., a specialty food company engaged in the manufacturing and marketing of seasoning and flavoring products to the grocery products markets and food service markets and to other food processors. Maryland Properties, Inc., a subsidiary, owns three large business community properties, the largest of which is the Hunt Valley Business Community, site of McCormick's Hunt Valley Inn, where the Firm has held two of its Firm-wide MAS meetings and which has been used by the Baltimore office for some of its staff training sessions and various social

affairs. In 1973, one of the Firm's regional PIC meetings was held there.

➤ Alexander & Alexander Services Inc., a worldwide firm of insurance brokers, agents and consultants offering risk management and other services to business and industrial clients. Benefacts, Inc., a subsidiary, prepares data for communication to employees concerning a company's benefit programs.

➤ A.S. Abell Company, publisher of three newspapers, *The Sun*, *The Evening Sun*, and *The Sunday Sun*, and owner of WMAR-TV in Baltimore.

➤ The Peabody Institute and the Maryland Science Center of the Maryland Academy of Sciences.

➤ Provident Hospital, a modern facility operated primarily by and for Baltimore's black community.

➤ Schenuit Industries, Inc., a diversified manufacturer with operations in Baltimore, Harrisburg and St. Louis.

➤ Sun Life Insurance Company of America, which constructed one of the first buildings in Baltimore's new Charles Center complex.

➤ Association of Maryland Pilots, a partnership of professionals who pilot the ships entering and departing the



Top left photo: The early-morning sun rises over client Sun Life Insurance Company's headquarters building (directly behind lamppost) as Baltimore partners (l. to r.) Bob Koepfel (PIC), Warren Reed, John Kuhn and Bob Eliason stride through Hopkins Plaza on way to H&S offices in nearby Mercantile Bank & Trust Building.

Top right photo: There was good news in the headlines the day that Jesse T. Crowder (c.), treasurer of A.S. Abell Company; H&S manager Ted Bluey (r.); and senior Doug Risher inspected early edition of *The Evening Sun*. A.S. Abell publishes *The Sun*, *The Evening Sun* and *The Sunday Sun*, and also owns television station WMAR-TV in Baltimore.

Bottom photo: Jack Williams (r.), vice president and treasurer of The Nelson Company, and Wayne Long (l.), controller of Schenuit Industries, Inc., explain early stage in production of wire and cable reels to H&S manager Ted Bluey and staff accountant Grace Smith. The Nelson Company, a subsidiary of Schenuit, is a major producer of wood reels and pallets at its Baltimore plant.





port of Baltimore.

➤→The News American, a daily newspaper, and the television station WBAL-TV, both part of The Hearst Corp.

Our Baltimore office also has established itself as a leader in governmental and municipal work. "We're the first public accounting firm to audit the Baltimore City Department of Education," audit partner John Kuhn pointed out. "Another of our clients is the Baltimore County Board of Education based in Towson, a suburban school system serving more than 123,000 pupils. On a state level," John continued, "our clients include the Maryland Lottery Commission and the Maryland Transportation Authority, which is building the new bridge across the harbor."

Because so many large corporations have operations in Baltimore (including a General Motors assembly plant and one of Bethlehem Steel's largest facilities), the city often is referred to as a "branch-office town," Bob Koeppel said. Despite this, about 80 percent of our work is originating, with the largest part of that being audit engagements.

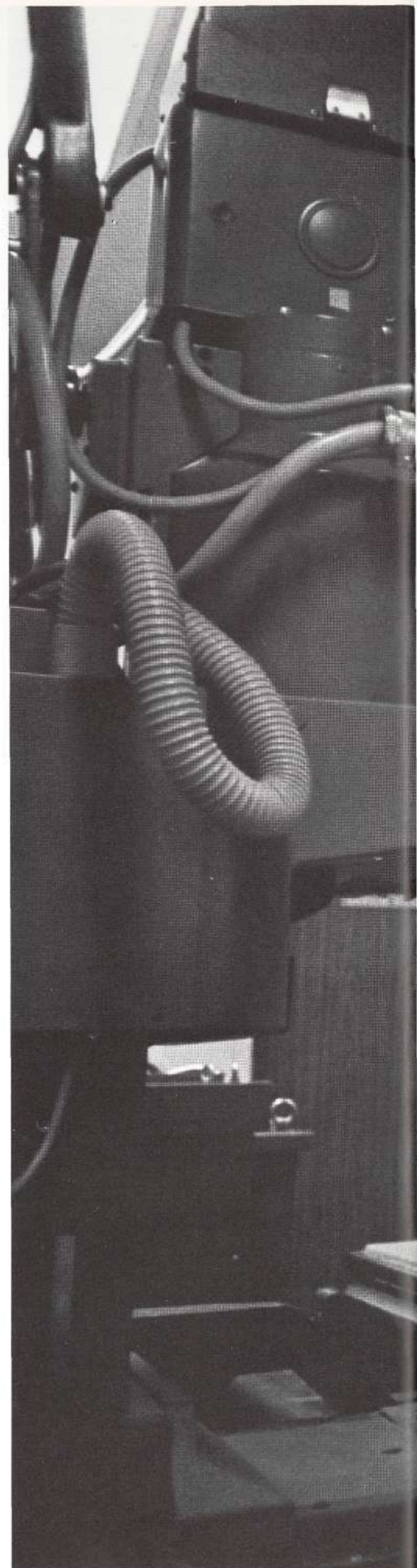
Bob Eliason is Baltimore's tax partner. A native of the Pacific Northwest, Bob

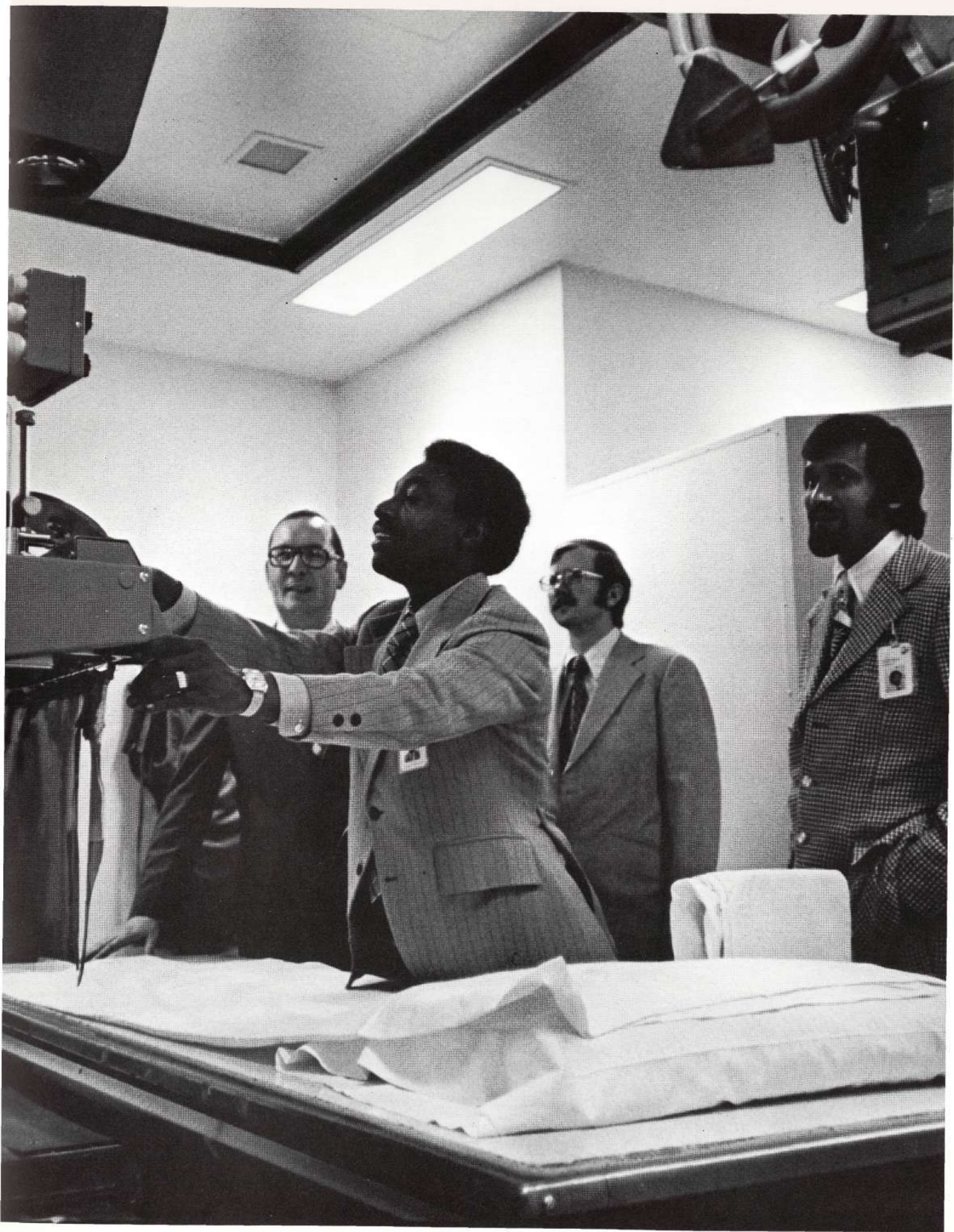
came to Baltimore in 1971 via our Seattle and Chicago offices. "Our tax clients range in size from the modest all the way up to the large international companies like Alexander & Alexander and McCormick & Company," he said. "This not only provides us with a variety of tax problems, but necessitates coordination with the clients' overseas operations." Bob has been active for several years in the annual Chesapeake Tax Conference sponsored by the Maryland Association of CPAs.

Most of the office's recruiting is done in Baltimore and Maryland, although a wider net is cast sometimes, according to partner John Kuhn, who is in charge of the recruiting efforts. Born in Washington, D.C., John began with H&S in Baltimore in 1957 and became a partner in 1973. John has served as a director of the Maryland Association of CPAs and has been nominated as treasurer for the coming year. He has participated as a speaker for several years at Morgan State University's MBA seminar classes.

"We put most of our emphasis on local schools," John pointed out, "such as the University of Maryland in College Park; Loyola College, the University of Balti-

Dennis A. Gowie (2nd l.), executive director of Provident Hospital, demonstrates sophisticated X-ray-fluoroscope unit to Surender Dhawan (r.), director of finance for the hospital; Jack Moores (l.), H&S manager; and senior John Nuckels. The device can be used for visual monitoring of a patient's internal organs and bone structure as well as for taking X rays.





more and Morgan State University, all in Baltimore; and nearby Mount St. Mary's and Towson State College. But we've also talked to students in schools in Delaware, southeastern Pennsylvania and Philadelphia. What we're trying to do is to get a good cross section in our office of people from different geographical locations."

As part of this program, the Baltimore office has proved to be a good training ground for professionals from other countries. Recently the office was host to a senior accountant from the Tokyo office under the Firm's foreign exchange program, and Luis Albo, a Cuban, was employed on the Baltimore staff after his graduation from a midwestern university. He transferred as a senior to our San Juan office, where he is now a manager. At the present time the staff includes a senior from the Philippines, and a staff accountant from Pakistan.

For audit partner Warren Reed, a native of Maryland, Baltimore is a good place to live and to work. Warren began with the Baltimore office of H&S in 1949 and was admitted to the Firm in 1966. "Everyone talks about New York City as being the 'melting pot,' but the fact is that

Baltimore also has a strong ethnic flavor," he said. "The city has its own Little Italy, as well as Polish, German, Greek and Ukrainian neighborhoods. Couple this with the strong population influx from the South and you really get an interesting mix.

"Perhaps even more important to the average person, however, is the fact that the attractions of Baltimore can satisfy almost any taste. We have fine neighborhoods in Baltimore for those who enjoy city living, while others with a preference for the suburbs can find what they want no more than a short drive from the office."

Warren is currently the president of the Baltimore Chapter of the NAA and several years ago served as president of the Maryland Association of CPAs.

The city is sports minded: Baltimore is home not only to H&S basketball and softball teams, but also to major league baseball, football and basketball. The Orioles, the Colts and the Clippers are all supported strongly by the community. The Baltimore area is famous for its outstanding collegiate lacrosse and has produced many national champions at Johns Hopkins University, the U.S. Naval



Top photo: Howard Herzig (l.), president of Benefacts, Inc., and Jerry Carr (r.), vice president and controller of Alexander & Alexander Inc., discuss typical Benefacts employee benefits printout with H&S partner Warren Reed (2nd r.) and staff accountant Skip Depew. Benefacts and Alexander & Alexander Inc. are subsidiaries of Alexander & Alexander Services Inc., an international firm of insurance brokers, agents and consultants.

Bottom photo: Discussing the techniques of video journalism following a broadcast of "Action News" over WBAL-TV, owned by The Hearst Corp., are (l. to r.) Vince Bagley, sports announcer; H&S senior Bill Noll, news reporter Ron Smith, Clifton E. Harris, WBAL resident controller; "Action News" anchorman Mike Hambrick; H&S manager Jerry Graham; Gordon B. Johns, WBAL assistant resident controller; and Spencer Christian, weather forecaster. Hearst also publishes The News American, an afternoon newspaper in Baltimore.





Academy and the University of Maryland. Horse lovers can spend a day watching the thoroughbreds race at Laurel, Bowie, Pimlico (site of the Preakness in May) or at Timonium Fair Grounds during the annual Maryland State Fair. Baltimore has been the site of the Ladies Professional Golf Association championship for the past several years.

A directory of things to see and do in Baltimore lists some sixteen different theatre groups, including several especially for children. Music lovers have a choice ranging from the classical presented by the Peabody Conservatory of Music, the Baltimore Symphony Orchestra and the Baltimore Opera Company, among others, to the popular. Among the outstanding museums are the Baltimore Museum of Art, the Walters Art Gallery and the Peale Museum. The city caters to the body as well as to the spirit. It has long been famous for the quality of its cuisine, particularly seafood such as crab, oysters and rockfish from Chesapeake Bay.

There are few cities today preserving as many memorials to our country's past as does Baltimore. In the Inner Harbor

lies the frigate *Constellation*, the first commissioned ship of the U.S. Navy. Launched in Baltimore in September of 1797 and still afloat, the *Constellation* is open to visitors after having served with distinction right through World War II, when she was the official flagship of the Atlantic Fleet.

A short distance away in Baltimore's harbor lies Fort McHenry, the large cannon that fought off the British fleet during the battle of September 12-14, 1814 still in place. Between Fort McHenry and the Inner Harbor lies Federal Hill, former site of fortifications built during the Civil War. In Mount Vernon Place stands the Washington Monument, this country's first monument to the Revolutionary War general who became our first president. Even the city's proximity to Washington, D.C., Williamsburg, Virginia and Gettysburg, Pennsylvania reinforces Baltimore's historical "presence."

Baltimore is a city that respects its traditions, that is proud of its place in our country's heritage. But if it pays tribute to the past, it does not dwell on it. It is too busy looking to the future. ○



Top left photo: Baltimore partner in charge Bob Koeppel (r.) and the Rev. Joseph A. Sellinger, S.J., president of Loyola College, share a light moment on Loyola's Baltimore campus. Building in background houses Charles C. Croggon Executive Development Center, facilities used in the school's Executive MBA Program and financed by a grant from the H&S Foundation. The center is named after the late Charles Croggon, head of the Baltimore office at the time of his retirement in 1954.

Top right photo: Checking progress of bridge being built across the Patapsco River estuary are (l. to r.) E. Donald Reilly, Executive Secretary, Maryland Transportation Authority; Harry R. Hughes, Secretary, Maryland Department of Transportation; Fredric J. Barron, Chief Accounting Officer, Transportation Authority Fund; H&S partner Warren Reed; and manager Nate Chernoff. When completed later this year, the bridge will improve the traffic flow on I-95.

Bottom left photo: Charles L. Benton (l.), Director of Finance for the City of Baltimore, and H&S partner John Kuhn review progress of \$10 million reconstruction and renovation of Baltimore's 100-year-old City Hall (in background). Completion of the project, begun early in 1975, is expected sometime this fall.

Bottom right photo: Judy Crovo, hostess of Ye Olde McCormick Tea House, prepares to pour tea for (l. to r.) John C. Doub, vice president and general manager, McCormick Division, McCormick & Co., Inc.; H&S manager Jerry Graham; T. Carter Parkinson, executive vice president, McCormick & Co.; H&S partner Bob Eliason; and Jim Plitt, controller of McCormick's Grocery Products Division. Located in McCormick's Baltimore headquarters, the tearoom is an authentic reproduction of a typical nineteenth-century English tearoom.

